

Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of FICC and on DTCC's website (<https://dtcc.com/legal/sec-rule-filings.aspx>). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-FICC-2025-012 and should be submitted on or before May 29, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁴

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102982; File No. SR-DTC-2025-009]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Rules Relating to the Legal Entity Identifier Requirement

May 2, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 25, 2025, The Depository Trust Company (“DTC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(4) thereunder.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of amendments to the Rules in order to require (i) each applicant applying to become a Participant, Pledgee, DRS Agent or FAST Agent to obtain and provide a Legal Entity Identifier (“LEI”) to DTC as part of its membership application, (ii) each Participant, Pledgee, DRS Agent and FAST Agent to have a current LEI on file with DTC at all times, and (iii) CDS Clearing and Depository Services Inc. (“CDS”) to provide DTC with an LEI for each current participant of CDS (“CDS Participant”) for which CDS maintains a subaccount at DTC and for each newly added CDS Participant going forward.^{5 6}

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to amend the Rules in order to require (i) each applicant applying to become a Participant, Pledgee, DRS Agent or FAST Agent to obtain and provide an LEI to DTC as part of its membership application, (ii) each Participant, Pledgee, DRS Agent and FAST Agent to have a current LEI on file with DTC at all times, and (iii) CDS to provide DTC with an LEI for each current CDS Participant for which CDS maintains a subaccount at DTC and for each newly added CDS Participant going forward.⁷

⁵ CDS, the Canadian central securities depository and central counterparty, is a Participant of DTC. The relationship between DTC and CDS enables CDS Participants to settle trades with DTC Participants through sub-accounts at DTC maintained by CDS on behalf of CDS Participants. DTC provides the Canadian-Link Service for the settlement of securities among DTC Participants and CDS Participants. See Rule 30, *infra* note 6.

⁶ Terms not defined herein are defined in the Rules, By-Laws and Organization Certificate of DTC (the “Rules”), available at www.dtcc.com/legal/rules-and-procedures.

⁷ *Supra* note 5.

Background

LEI Background

An LEI is a 20-character reference code to uniquely identify legally distinct entities that engage in financial transactions.⁸ The LEI system was developed by the Financial Stability Board⁹ together with finance ministers and central bank governors represented in the Group of 20 in the wake of the 2008 financial crisis.¹⁰ The Financial Stability Board established GLEIF in June 2014 to support the implementation and use of LEIs.¹¹ The Regulatory Oversight Committee (“ROC”), a group of public authorities from around the globe, oversees GLEIF and the global LEI system.¹²

LEIs are issued by entities called Local Operating Units (“LOUs”) that are accredited by GLEIF to issue LEIs within certain jurisdictions.¹³ LOUs validate information about an entity and issue a unique LEI for that entity. An LEI provides information about legal entities, including the official legal name, registered address, country of incorporation, registration authority and the entities' ownership structure, including parent and child organizations.

Adding the LEI Requirement for DTC

DTC's parent entity, The Depository Trust & Clearing Corporation (“DTCC”),¹⁴ provides technology resources and support services to DTC and DTCC's other subsidiaries, including providing support for onboarding, lifecycle management and risk management of the subsidiaries' applicants and participants. Certain of DTCC's subsidiaries currently require

⁸ See www.gleif.org/en/about-lei/introducing-the-legal-entity-identifier-lei. The LEI is based on the ISO 17442 standard developed by the International Organization for Standardization and satisfies the standards implemented by the Global Legal Entity Identifier Foundation (“GLEIF”). See www.gleif.org/en/about-lei/introducing-the-legal-entity-identifier-lei.

⁹ The Financial Stability Board is an international body that monitors and makes recommendations about the global financial system. See www.fsb.org.

¹⁰ See www.gleif.org/en/about/history.

¹¹ See *supra* note 8. See also www.gleif.org/en/about/this-is-gleif.

¹² The ROC is a group of public authorities from around the globe established in January 2013 to coordinate and oversee the global LEI system. See www.gleif.org/en/about/governance/regulatory-oversight-committee-roc.

¹³ See www.gleif.org/en/about-lei/get-an-lei-find-lei-issuing-organizations.

¹⁴ DTCC is a non-public holding company that owns three registered clearing agencies and related businesses. In addition to DTC, DTCC also owns the following registered clearing agencies: National Securities Clearing Corporation and the Fixed Income Clearing Corporation (“FICC”). FICC has two divisions: the Government Securities Division and the Mortgage-Backed Securities Division.

²⁴ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(4).

that its applicants and participants obtain and provide an LEI. However, this requirement is not consistent across DTCC's other subsidiaries, including DTC.

DTC is proposing to add a requirement that its applicants and participants obtain and provide an LEI to DTC similar to the requirement currently in place for its affiliate, FICC, which requires LEIs for members of its Government Securities Division.¹⁵ DTC believes that requiring that its applicants and participants obtain and provide an LEI to DTC would improve the quality of data that is collected from its participants as well as the process for collecting that data, including providing the following benefits:

- **Simplify Operational Processes**—LEIs would help simplify and expedite due diligence and know your customer (“KYC”) verification of participants enabling DTC to do business with participants faster and safer.

- **Enhance Risk Management**—LEIs provide information about counterparty relationships and hierarchies within and between financial entities, improving counterparty risk assessment and management.

- **Leverage Existing Capabilities**—The use of LEIs would allow DTC to leverage existing DTCC technology and data to create automatic upfront validations to support participant onboarding and lifecycle management for DTC and DTCC's other subsidiaries.

- **Reliable Data Source**—The LEI system is supported by a trusted method of verifying the identity of the legal entity in question and would provide a reliable data source. This is supported by the LOUs maintenance of all respective reference and identification data and the overall global LEI system which is coordinated and overseen by ROC.

- **Reduction in Record Duplication**—The use of LEIs would reduce overlap and duplication of data within databases, helps streamline data reconciliations and reduce data errors by decreasing the requirements for manual comparison of different databases.

Implementing an LEI requirement is also intended to improve DTCC's ability to manage data across its subsidiaries, including DTC. Many participants are

shared among DTC and its affiliates. Currently, there is no consistent requirement for submission of an industry identifier by DTC and DTCC's other subsidiaries. This has impacted DTCC's ability to profile its subsidiaries' participants quickly and efficiently across all the subsidiaries' products and services. DTCC's other subsidiaries are also implementing an LEI requirement consistent with the LEI requirements being proposed for DTC.

Member Impact

Based on an analysis by DTC, approximately 89% of Participants, 71% of Pledges, 46% of DRS Agents, and 100% of CDS Participants currently have an LEI. Adding the LEI requirement would require the DTC participants that have not obtained an LEI to select an LOU,¹⁶ apply for an LEI, and once obtained provide the LEI to DTC. In addition, CDS would be required to obtain LEIs from CDS Participants. The DTC participants and CDS Participants would also need to renew the LEI periodically. The expense of obtaining and renewing an LEI is minimal, and it can usually be obtained within a few days once the entity provides the necessary information to the LOU.¹⁷

Failure to adhere to the LEI requirement could result in a fine in accordance with the Rules.¹⁸

Rule Changes

LEI Requirement

In order to add the requirement that participants obtain and provide an LEI, DTC is proposing to make the following changes.

(i) Defined Term

DTC would add a new defined term, LEI, to Rule 1. DTC would use the terminology of the GLEIF for the definition.¹⁹

(ii) Applicants, Participants and Pledges

DTC would add a new Section 12 to Rule 2 to require (i) each DTC applicant to obtain and provide an LEI to DTC as part of its membership application and

(ii) each Participant, Pledgee, DRS Agent and FAST Agent to always have a current LEI on file with DTC. DTC is proposing to add a footnote in that section which states such Participants, Pledges, DRS Agents and FAST Agents shall have 60 calendar days from the date they are notified by Important Notice to submit their LEIs. The footnote would provide that it would sunset at the end of the 60-calendar day period.

(iii) CDS Participants

DTC would add a new Section 11 to Rule 30 to require that CDS provide DTC with an LEI for each CDS Participant for which CDS opens and maintains a subaccount at the Corporation such that the Corporation shall have a current LEI for each such CDS Participant at all times. DTC is proposing to add a footnote in that section which states that CDS shall have 60 calendar days from the date that CDS is notified by Important Notice to submit LEIs for each of the CDS Participants. The footnote would provide that it would sunset at the end of the 60-calendar day period.

Implementation Timeframe

DTCC is determining a framework relating to the adoption of the selected LEI option across all DTCC subsidiaries and product lines, including an approach to managing the implementation of the LEI requirement for both existing and new clients of DTC. DTC would provide notice to existing Participants, Pledges, DRS Agents, FAST Agents and CDS, including by Important Notice, advising them of the LEI requirements for DTC and notifying them of the dates by which they are expected to have obtained and provided an LEI to DTC. DTC would give Participants, Pledges, DRS Agents, FAST Agents and CDS that do not currently have the requisite LEIs, 60-calendar days from the date of the notice to obtain and provide the requisite LEIs to DTC. DTC considers 60-calendar days to be sufficient for obtaining an LEI, as it can typically be acquired within a few days once the entity provides the necessary entity information to the LOU.

2. Statutory Basis

Section 17A(b)(3)(F) of the Act, requires, that the Rules be designed to, among other things, promote the prompt and accurate clearance and settlement of securities transactions.²⁰

DTC believes that the proposed changes to add an LEI requirement are

¹⁵ FICC implemented LEI requirements for its Government Securities Division in compliance with a rule adopted by the Office of Financial Research of the U.S. Department of Treasury establishing a data collection requirement covering centrally cleared transactions in the U.S. repurchase market. See Securities Exchange Act Release No. 88557 (Apr. 3, 2020), 85 FR 19979 (Apr. 9, 2020) (SR-FICC-2020-002).

¹⁶ Only entities that are accredited by GLEIF may issue LEIs. A list of accredited LOUs can be found on the GLEIF website: www.gleif.org/en/about-lei/get-an-lei-find-lei-issuing-organizations.

¹⁷ Based on a review by DTCC, the average cost for registering a new LEI is approximately \$71, the average cost for maintenance is approximately \$62, and the application processing time is typically 24–48 business hours.

¹⁸ See Rule 21, *supra* note 6 (provides that DTC may discipline any Participant or Pledgee for violations of the Rules, including but not limited to a fine).

¹⁹ See *supra* note 8.

²⁰ 15 U.S.C. 78q–1(b)(3)(F).

consistent with this provision because the proposed revisions would improve the quality of data that is collected from DTC's participants as well as the process for collecting that data including (i) simplifying and expediting certain operational processes, including due diligence and KYC, by utilizing an efficient and accurate method to verify identity of DTC participants, (ii) enhancing counterparty risk assessment and management of DTC participants by improving information about counterparty relationships and hierarchies within and between DTC participants, (iii) creating efficiencies relating to onboarding and lifecycle management for DTC and DTCC's other subsidiaries that share participants, (iv) obtaining reliable data from the standardized global LEI system, a dependable source of verified data, and (v) reducing overlap and duplication of data within databases and helping to streamline data reconciliations and reduce data errors. DTC believes that creating efficiencies in operational processes, onboarding and lifecycle management and improving risk management by improving the quality of verified data that is collected from DTC's participants as well as the process for collecting that data would promote the prompt and accurate clearance and settlement of securities transactions by DTC. As such, DTC believes the proposed rule changes are consistent with Section 17A(b)(3)(F) of the Act.²¹

(B) Clearing Agency's Statement on Burden on Competition

DTC believes that the proposed changes to add an LEI requirement could impose a burden on competition because these changes would impose a cost on firms that currently do not have an LEI to obtain and maintain them. DTC does not believe that any burden on competition imposed by the proposed rule change would be significant because the cost to obtain and maintain an LEI is relatively small,²² and DTC understands that many of its participants already maintain LEIs for other purposes. Regardless of whether the potential burden on competition is deemed significant, DTC believes the proposed rule change is both necessary and appropriate in furtherance of the purposes of the Act. Specifically, DTC believes that any burden on competition

that is created by the proposed changes would be necessary in furtherance of the purposes of the Act²³ because creating efficiencies in operational processes, onboarding and lifecycle management and improving risk management by improving the quality of verified data that is collected from DTC's participants as well as the process for collecting that data would promote the prompt and accurate clearance and settlement of securities transactions by DTC. DTC also believes that any burden that is created by the proposed rule change would be appropriate in furtherance of the purposes of the Act²⁴ because the proposed changes would be limited to requiring an LEI that is easily obtained through the established global LEI system at a relatively minor cost.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

DTC has not received or solicited any written comments relating to this proposal. If any written comments are received, they will be publicly filed as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

Persons submitting comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b-4, the Commission does not edit personal identifying information from comment submissions. Commenters should submit only information that they wish to make available publicly, including their name, email address, and any other identifying information.

All prospective commenters should follow the Commission's instructions on *How To Submit a Comment*, available at www.sec.gov/regulatory-actions/how-to-submit-comments. General questions regarding the rule filing process or logistical questions regarding this filing should be directed to the Main Office of the Commission's Division of Trading and Markets at tradingandmarkets@sec.gov or 202-551-5777.

DTC reserves the right not to respond to any comments received.

III. Date of Effectiveness of the Proposed Rule Change, and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and paragraph (f) of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule

change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (www.sec.gov/rules/sro.shtml); or
- Send an email to rule-comments@sec.gov. Please include file number SR-DTC-2025-009 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to file number SR-DTC-2025-009. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of DTC and on DTCC's website (<https://dtcc.com/legal/sec-rule-filings.aspx>). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer

²¹ *Id.*

²² As noted above, based on a review by DTCC, the average cost for registering a new LEI is approximately \$71 and the average cost for maintenance is approximately \$62.

²³ 15 U.S.C. 78q-1(b)(3)(I).

²⁴ *Id.*

to file number SR-DTC-2025-009 and should be submitted on or before May 29, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁵

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102978; File No. SR-Phlx-2025-21]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Discontinue the Options Regulatory Fee Model Scheduled To Be Implemented in June 2025

May 2, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 28, 2025, Nasdaq PHLX LLC (“Phlx” or “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to discontinue the ORF model scheduled to be implemented in June 2025.³

The text of the proposed rule change is available on the Exchange’s website at <https://listingcenter.nasdaq.com/rulebook/phlx/rulefilings>, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Phlx proposes to discontinue the ORF model scheduled to be implemented in June 2025.⁴

Phlx previously filed a proposed amendment to its ORF, effective as of January 1, 2025,⁵ to amend its methodology of collection to: (1) specify that it is including options transactions in Phlx proprietary products; and (2) assess ORF in all clearing ranges except market makers who clear as “M” at The Options Clearing Corporation (“OCC”). Additionally, Phlx proposed to assess a different rate for trades executed on Phlx (“Local ORF Rate”) and trades executed on non-Phlx exchanges (“Away ORF Rate”).⁶ The Exchange also filed to delay the implementation of SR-Phlx-2024-66, with respect to the new ORF and methodology therein which was effective on January 1, 2025, so that it would be implemented on June 1, 2025.⁷

At this time, the Exchange proposes to discontinue its June 2025 ORF. The Exchange received feedback from members and member organizations⁸ and SIFMA⁹ related to the implementation of its June 2025 ORF. In particular, two fields necessary for information sharing of executing

exchange information among members and member organizations and Clearing Members will not be available after an upcoming technology migration at OCC.¹⁰ In light of this information, the Exchange has been re-evaluating its ORF model and plans to revamp the current process of assessing and collecting ORF, which would be subject to, and described further in, a future rule filing. Particularly, the Exchange is exploring proposing a modified ORF model in which ORF would only be assessed to on-exchange transactions and would continue to be assessed only to customers. At this time, the Exchange expects to continue assessing ORF as it does today and will continue to ensure that ORF Regulatory Revenue, in combination with its other regulatory fees and fines, does not exceed Options Regulatory Cost.

To create real ORF reform, moving to a new ORF model that only assesses a fee to transactions that occur on the Exchange would remove any duplicative ORF billing. The Exchange believes that each exchange should likewise adopt a similar model to ensure consistent industry billing of ORF to the benefit of market participants. A consistent methodology of assessing and collecting ORF will also remove confusion and complexity in the billing of ORF. The Exchange has been engaged in remodeling its current ORF over the last year and has held many conversations with market participants to establish a framework that is practical and fair. The Exchange remains committed to ORF reform and will continue to evaluate its ORF model and seek feedback from market participants.

The Exchange also proposes to remove a sentence that states, “As of November 1, 2024, the ORF is \$0.0022 per contract side.” This sentence is outdated.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.¹¹ Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,¹² which provides that Exchange rules may provide for the equitable allocation of reasonable dues, fees, and other charges among its members, and other persons using its

¹⁰ See <https://www.theocc.com/company-information/occ-transformation>.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(4).

²⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 101892 [sic] (December 12, 2024), 89 FR 103003 (December 18, 2024) (SR-Phlx-2024-66) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Lower the Options Regulatory Fee (ORF) and Adopt a New Approach to ORF in 2025). See also Securities Exchange Act Release No. 102368 (February 6, 2025), 90 FR 9451 (February 12, 2025) (SR-Phlx-2025-06) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Delay the Implementation of the New Options Regulatory Fee (ORF) and ORF Methodology Proposed in SR-Phlx-2024-66) (collectively “June 2025 ORF”).

⁴ See June 2025 ORF.

⁵ See June 2025 ORF.

⁶ See June 2025 ORF.

⁷ See Securities Exchange Act Release No. 102368 (February 6, 2025), 90 FR 9451 (February 12, 2025) (SR-Phlx-2025-06) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Delay the Implementation of the New Options Regulatory Fee (ORF) and ORF Methodology Proposed in SR-Phlx-2024-66).

⁸ The Exchange has discussed the implementation of its June 2025 ORF with various Clearing Members.

⁹ See SIFMA comment letter at <https://www.sec.gov/comments/sr-nasdaq-2024-078/srnasdaq2024078-550079-1574622.pdf>.